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| MEMORANDUM |
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DATE: February 2, 2009

TO: Adjusting Firms and Adjusters and Internal TWIA File Examiners

FROM: Reggie Warren

RE: **Supplements—Emphasis on Roofs—Dolly and Ike**

Texas Windstorm Insurance intends to pay for the covered windstorm loss on every valid claim, including roofs. It is important to note that we only cover **direct, physical, loss** from windstorm. Direct means it happened during Ike or Dolly, physical means the damage to the property is clearly visible and there must be a loss (destruction or damage to property) involved. Shingles that show no signs of damage other than they are not sealed and can be raised with your hand are not considered windstorm damaged. Some call these “lifted” shingles. Some call them “blown up” shingles. Some call them “unadhered”. Regardless of the terminology, these are not considered windstorm damaged. The shingles are mostly laying flat and are continuing to do as they were intended.....to repel water.

If you reopen a file to handle a supplement and you feel there is an increased scope on a roof claim from the original estimate, final authority for approval of the change rests with TWIA. The adjuster cannot commit TWIA nor give the insured the OK to proceed with repairs. This must be made clear to the insured.

A reinspection obviously needs to be made. The insured or contractor or P. A. should point out any additional damage being claimed and you should document accordingly with photos and by securing any additional evidence that may be presented. **If the roof is not involved**, conclude the supplement accordingly and send to us with your recommendations. Always advise the insured or their representative that the final decision on the claim rests with TWIA, but it is ok to tentatively agree on the scope and estimate. You can close your file and send your estimate to the insured at that time.

If the roof is involved, present all the supplemental information to TWIA for approval (this includes damage other than the roof, if involved). You should tentatively advise the insured of your estimate figures, but make certain the insured understands that the approval or disapproval on the roof will come from TWIA. Leave your file open and do not bill us at that time. WE will communicate back to you as to how to proceed in concluding with the insured. **DO NOT SEND** your supplemental estimate to the insured or their representative (on these type of supplements) until we authorize you to do so. If the supplemental estimate is not authorized by TWIA, then we will notify you to send a denial letter to insured so stating and close your file. If the insured continues to press the issue, we will send a position letter and explain the statutory remedies.

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